

Call to Order

The meeting was called to order by Mr. Stumpf at 7:05 p.m. in the 2nd floor Conference Room at Town Offices. The meeting was taped but not cablecast.

In attendance were Chairman S. Jon Stumpf, Linn Anderson, John Barry, Jr., Margaret (Peggy) Kruse, Joanne Marden, Paul Fortier and Greg Serrao. Also present was Finance Director, Donna Walsh. Absent was Eugenie (Janie) Moffitt and Mary O'Donoghue.

Finance Committee Minutes

Upon motion duly made by Mr. Barry and seconded by Ms. Kruse, the Committee voted to approve the December 18th minutes (see attachment) with the following changes. The motioned passed 6-0-1 with Mr. Fortier abstaining.

FY15 Operating Budget Model

In the second sentence, remove the word "debt" before "tool."

Charter School

In the first sentence, remove the words "to Town Meeting."

*Liaison Updates**Tax Increase:*

Reword the first sentence as follows:

"Ms. Marden commented that the tax rate increase of 4.7% in residential property tax set by the selectmen was on target with her projections."

CIP:

Change "CIP" to "CD&P." Change "Reinhold" to "Reichhold."

Resignation of Committee Member

Mr. Stumpf announced that the Vice Chair Mary O'Donoghue had resigned from the Finance Committee in order to run for a position on the Board of Selectmen. A gathering in appreciation of her service would be planned.

FY15 Operating Budget Model

Mr. Stumpf reviewed the updated Budget Model spreadsheet of projected costs through FY2018 (see attachment.) He hoped it could be used to guide discussions at the next Triboard meetings regarding COLA's and what the Town could afford. He added that while one may question the "assumptions" on each link, the bottom line is "what's available for the Town/School operating budgets after subtracting the contractual obligations." He noted there is approximately 3% available.

He invited the Committee to make suggestions for changing the model in any way. It was agreed this model was useful as a simple tool and to keep it "simple" in its present format as a one-page forecast. Additional updates would be made when the town budget is released on February 7th.

Mr. Fortier left the meeting at 7:30pm to attend the Selectmen's Meeting.

Capital Projects

Mr. Stumpf opened the discussion on how non-exempt debt and exempt debt affect the annual tax rate. It was agreed that the average taxpayer compares the present tax bill to the previous year's tax bill and if there is an increase, may assume it is due to an increase in capital projects. However, this is not the case

as tax increases are also due to increases in the operating budget. A high portion of these expenses are attributed to personnel costs, including health insurance and post-retirement benefits.

IT 2 – Virtual Deployment

Mr. Stumpf opened the discussion on concerns with regard to the deployment and costs of the ongoing IT Project. It was agreed that Ms. Anderson would raise these concerns (and any other member concerns emailed to her) with the IT Manager at their meeting this week, and that a presentation by him would be requested to be made to the Finance Committee on the following issues:

1. A reconciliation of the original IT plan for which the Committee issued \$2 million in bonds as follows:
 - a) how much has been spent to date vs. what the plan stated would be spent;
 - b) what was purchased vs. what was planned to be purchased; and
 - c) where are we in the infrastructure implementation vs. what the original plan stated, etc.
2. What additional funds, if any, the IT manager requires to implement his vision.
3. The implied need and cost/benefit of virtual desktop deployment.

The Committee also requested that Ms. Walsh provide a summary of the last two years' budget for IT.

Berberian Lawsuit

It was agreed to wait until the settlement was finalized before discussion.

Pension Advance

Mr. Stumpf announced that he had received a communication from Michael Widmer of the Massachusetts Taxpayers Foundation that the fiscal leaders had recommended to “advance from 2040 to 2036 the date to fund fully the state’s pension liabilities (see attached). Ms. Walsh added that municipalities had a deadline of 2040 and no later. The new valuation by our actuaries may support a payment plan to keep the same payments but shorten the schedule of repayment.

FY15 Budget Calendar

Mr. Stumpf presented the calendar of joint meetings with the Board of Selectmen scheduled for Monday, February 10th through Monday, March 10th, followed by a Triboard meeting on Wednesday, March 12th. Please note that Finance Committee will meet by itself on Monday, March 17th.

Liaison Updates

Police and Fire – Mr. Stumpf announced that Mary O’Donoghue would be replaced by Paul Fortier as liaison.

Municipal Services Department – Peggy Kruse would be the liaison for the newly created department headed by Chris Cronin, supervising Divisions of DPW and Plant and Facilities.

OPEB – Ms. Marden announced that the OPEB valuation report had been emailed and would be presented by actuaries to the Triboard Meeting.

Library – Mr. Barry announced that he would be meeting with Beth Mazin soon to discuss her experience with centralization and management of IT resources.

School Updates

Mr. Serrao provided the following updates: a) year-to-date over budget \$149K primarily due to costs of substitute teachers to cover maternity and other long-term medical leaves; b) Mr. Szymanski to freeze expenses; c) out-of-district budget reflecting a surplus of \$210K; d) no new FTE's in quarter 2; and e) Circuit Breaker reserve current balance is \$1,450,000.

Bancroft School

Mr. Deso was invited to make a presentation on progress of the project as follows: a) weather conditions prevented an anticipated early move in as of April; b) original completion date of May 22 on target for fall 2014 opening; b) total project surplus of up to \$2,213,000 anticipated.

Future Meetings

Finance Committee meets jointly with Board of Selectmen on February 10, 2014.

Adjournment

Upon motion duly made by Ms. Kruse and seconded by Mr. Serrao, the Committee voted to adjourn. The motion passed 6-0. The meeting was adjourned at 8:39 p.m.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary

*Attachments:**Finance Committee Minutes December 18, 2013**FY15 Operating Budget Model**Massachusetts Taxpayer Foundation Communication**FY15 Budget Calendar of Meetings*